Government of Saskatchewan

Annual Report 1985

Saskatchewan Horse Racing Commission

Saskatchewan

86-04967/

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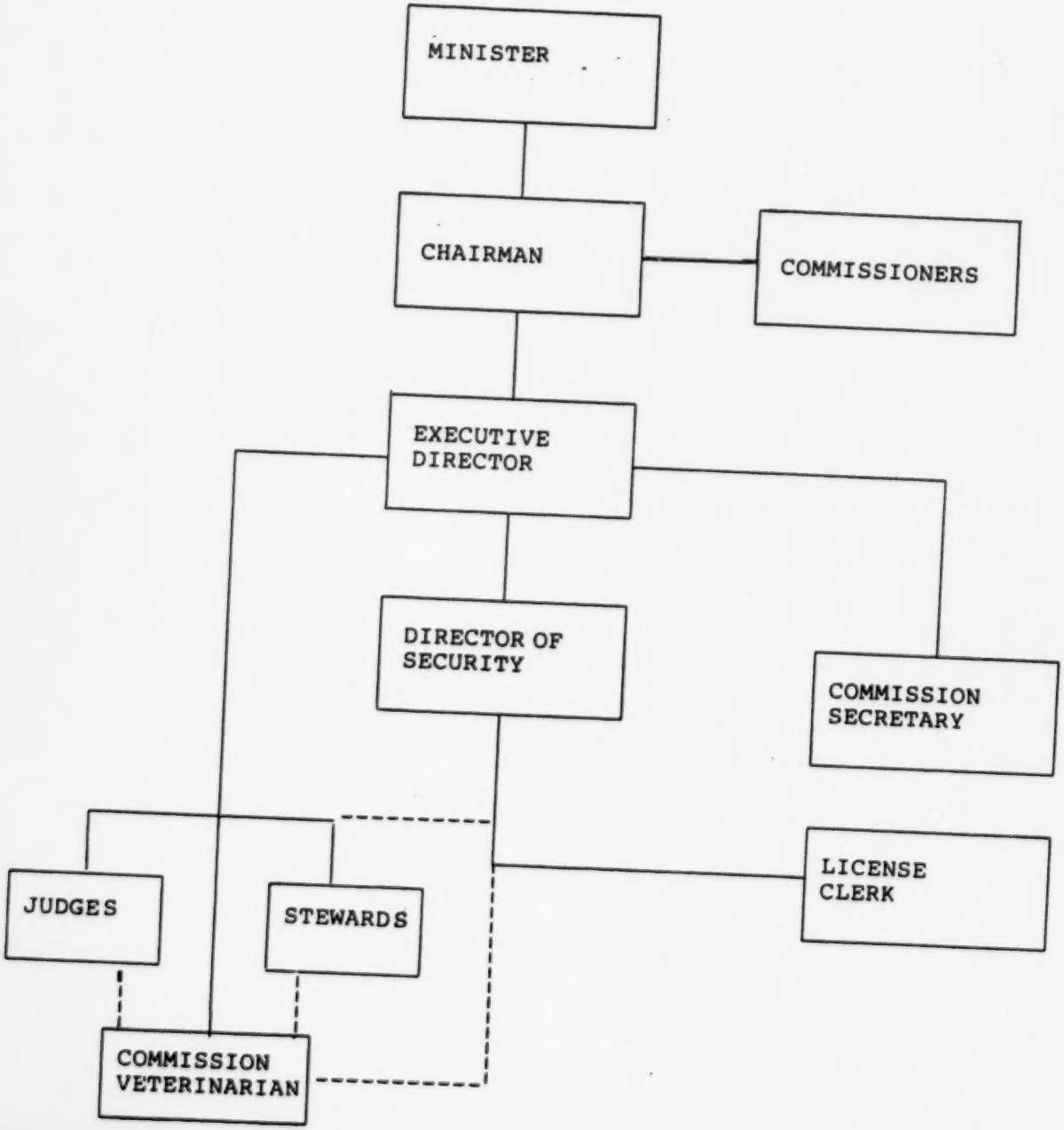
The Honourable Grant Devine
Minister of Agriculture
Province of Saskatchewan

Sir:

Presented herewith is the Second Annual Report of the Saskatchewan Horse Racing Commission for the twelve months ending December 31, 1985.

Respectfully submitted,

Al Anderson, Chairman
Saskatchewan Horse Racing Commission


MINISTER
CHAIRMAN
COMMISSIONERS
EXECUTIVE DIRECTOR
DIRECTOR OF SECURITY
COMMISSION SECRETARY
JUDGES
STEWARDS
LICENSE CLERK
COMMISSION VETERINARIAN

CHAIRMAN'S REPORT - 1985

It is a pleasure to present this report of the Saskatchewan Horse Racing Commission.

1985 has been a difficult year; handles and attendance have declined at both of Saskatchewan's major tracks. This has been the cause for the very serious concerns expressed by both track operators and horsemen. Every effort will be required by each member of the racing industry to work together for a renewed growth and development.

New race meets were conducted at Yorkton and Lloydminster; we welcome both communities to the Saskatchewan racing scene and wish them every success.

There are many reasons for us to be optimistic about our future. The announcement of a new racing facility at Exhibition Race Track in Regina and planned improvements to Marquis Downs in Saskatoon, together with new opportunities to participate in major races both nationally and internationally should provide the basis for enthusiastic growth.

Al Anderson, Chairman
Saskatchewan Horse Racing
Commission

The Saskatchewan Horse Racing commission operates under the authority of The Horse Racing Commission Act. The objectives of the Horse Racing commission are to direct and regulate horse racing in Saskatchewan in any or all of its forms. A primary objective of the commission is to maintain the integrity of horse racing in the province.

The commission performs a number of regulatory functions. The principle functions are:

- approving race dates
- licensing all people involved in horse racing
- supervising horse racing in the province
- assisting in the development of horse racing in Saskatchewan
- hearing appeals on judges and stewards' rulings

The commission is comprised of five individuals who are appointed for a period of five years. The chariman is Alton B. Anderson, Saskatoon and E. Robert Stromberg, Q.C. of Saskatoon is vice-chairman. The other commissioners are Bonnie J. Eiserman, Maple Creek; Andrew T. Paterson, Regina, and Wayne Steadman, Regina.

The commission employed three full time employees is 1985, Leary Claypool, Executive Director, Ken Jamont, Director of Security, and Brenda Cowley, Secretary.

The commission also employed three thoroughbred stewards, three standardbred judges, three licensing clerks, one steward/judge trainee and two veterinarians for the racing season.

During the year under review, the commission met seventeen times, had one conference call and heard fifteen appeals of the judges' and stewards' rulings, of these six were denied, and three the penalty was modified, and six were allowed. The commission held two hearings for license applications, one licensee was refused a license.

The commission in 1985 issued 1355 licenses for thoroughbred racing, 797 for standardbred racing, 302 for quarter horse and appaloosa racing and 445 in miscellaneous categories.

In 1985 there were a total of 177 race dates and 1691 races with a total pari-mutuel handle of $14,674,971 and purse money totaling $1,983,144. Total attendance was 148,692 people.

In the 1985 racing season there were 64 Standardbred claims and 22 Thoroughbred claims.

Twice the 10 day rule was waived under the Horse Racing Regulation Act, Chapter H-7, Section 4.

GRANTS AND DONATIONS MADE BY THE SASKATCHEWAN HORSE RACING COMMISSION TO HORSE RACING

Saskatoon Prairieland Exhibition Association	$459,304.80
Saskatoon for Tower Relocation	2,500.00
Regina Exhibition Corporation Ltd.	336,196.38
Melville and District Agricultural Park Association	6,692.32
Yorkton Agricultural and Industrial Exhibition Association Ltd.	7,990.88
Moose Jaw Exhibition Corporation Ltd.	20,606.32
Lloydminster Agricultural Exhibition Association Ltd.	13,623.20
Management and Marketing Study	11,624.48
Roberts & Poole	300.00
Veterinary College	10,000.00
1% Thoroughbred Breeders	86,952.40
TOTAL	$955,790.78

TABLE 1: 1985 RACING STATISTICS BY LOCATION

	NO. PEOPLE ATTENDING	NO. RACES RUN	NO. DAYS HELD	PURSES DISTRIBUTED $	PARI-MUTUEL BETS $
MOOSE JAW	1,992	59	7	32,350.00	117,579.00
MELVILLE	2,235	26	3	21,100.00	23,654.00
LLOYDMINSTER	3,800	40	5	27,185.00	70,290.00
YORKTON	2,252	23	3	19,200.00	42,386.00
REGINA	56,778	716	71	765,605.00	6,082,815.00
SASKATOON	81,635	849	88	1,117,704.00	8,338,247.00
TOTAL	148,692	1,713	177	1,983,144.00	14,674,971.00

TABLE 2: RACING STATISTICS BY BREED

	NO. PEOPLE ATTENDING	NO. RACES RUN	NO. DAYS HELD	PURSES DISTRIBUTED $	PARI-MUTUEL BETS $
QUARTER HORSE/ APPALOOSA	4,170	58	7	38,930.00	75,014.00
STANDARDBRED	58,744	889	88	706,569.00	5,837,409.00
THOROUGHBRED	85,778	766	82	1,237,647.00	8,762,548.00
TOTAL	148,692	1,713	177	1,983,144.00	14,674,971.00

TABLE 3: BREAKDOWN OF PURSES AND PARI-MUTUEL BETS BY LOCATION AND BREED

	PURSES			PARI-MUTUEL BETS		
	QUARTER HORSE/ APPALOOSA $	STANDARD-BRED $	THOROUGH-BRED $	QUARTER HORSE/ APPALOOSA $	STANDARD-BRED $	THOROUGH-BRED $
MOOSE JAW	8,650	23,700	-------	23,530	94,049	------
LLOYDMINSTER	9,180	18,005	-------	27,830	42,460	------
YORKTON	------	19,205	-------	------	42,386	------
MELVILLE	21,100	------	-------	23,654	------	------
REGINA	------	328,757	436,848	------	------	------
TRACK	------	------	-------	------	2,800,162	3,282,653
INTER-TRACK	------	------	-------	------	534,556	1,120,668
SEPARATE POOL	------	19,093	22,022	------	------	------
SASKATOON	------	316,905	800,799	------	------	------
TRACK	------	------	-------	------	2,858,352	5,479,895
INTER-TRACK	------	------	-------	------	590,361	698,193
SEPARATE POOL	------	5,195	20,998	------	------	------
TOTAL	38,930	730,860	1,280,667	75,014	6,962,326	10,581,409

SASKATCHEWAN HORSE RACING COMMISSION

FINANCIAL STATEMENTS

Year Ended December 31, 1985

OFFICE OF THE PROVINCIAL AUDITOR

REGINA, SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of the Saskatchewan Horse Racing Commission as at December 31, 1985 and the statements of revenue and expenditure, operating surplus and changes in cash position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1985 and the results of its operations and changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

W.G. Lutz, F.C.A.,
Provincial Auditor.

Regina, Saskatchewan
January 17, 1986.

Statement 1

SASKATCHEWAN HORSE RACING COMMISSION

BALANCE SHEET

As at December 31

	1985	1984
ASSETS		
Current		
Cash	$ 250	$ 7,177
Term deposits maturing within one year	-	288,518
Accounts receivable	12,291	6,780
Prepaid expense	1,404	4,702
	13,945	307,177
Term deposits - long-term	191,517	-
Furniture and equipment	9,615	3,328
	$215,077	$310,505
LIABILITIES AND EQUITY		
Current		
Bank overdraft	$ 534	$ -
Accounts payable	5,070	113,301
	5,604	113,301
Equity		
Operating surplus - (Statement 3)	199,858	193,876
Fixed assets	9,615	3,328
	209,473	197,204
	$215,077	$310,505

(See accompanying notes)

SASKATCHEWAN HORSE RACING COMMISSION

STATEMENT OF REVENUE AND EXPENDITURE

For the Year Ended December 31

	1985	1984
Revenue		
Province of Saskatchewan grants	$1,460,766	$1,790,000
Licenses and assessments	48,402	47,807
Interest	22,418	26,066
Fines	10,602	7,475
Other revenue	9,520	2,023
Total revenue	1,551,708	1,873,371
Expenditure		
Administration		
Salaries and benefits	276,511	199,096
Professional services	47,361	48,139
Commissioners' expenses	23,533	31,250
Automobile and travel	24,367	22,821
Supplies	18,544	21,173
Sundry	44,080	27,043
Purchase of fixed assets	6,286	3,328
	440,682	352,850
Grants	945,791	1,124,477
Security expenditures	125,866	170,088
Appeals expense	9,618	11,705
Donations	10,000	10,225
Other	13,769	10,150
	1,105,044	1,326,645
Total expenditure	1,545,726	1,679,495
Excess of revenue over expenditure (Statement 3)	$ 5,982	$ 193,876

(See accompanying notes)

Statement 3

SASKATCHEWAN HORSE RACING COMMISSION

STATEMENT OF OPERATING SURPLUS

For the Year Ended December 31, 1985

(With Comparative Figures for 1984)

	1985	1984
Operating Surplus:		
Unappropriated		
Balance, beginning of year	$ 193,876	$ -
Excess of revenue over expenditure (Statement 2)	5,982	193,876
Add: Purse grants paid during year	100,000	-
	299,858	193,876
Appropriations:		
Contingency reserve	(74,965)	-
Racing stabilization reserve	(224,893)	-
Total unappropriated operating surplus	-	193,876
Appropriated		
Contingency reserve		
Balance, beginning of year	$ -	$ -
Appropriated during the year	74,965	-
Balance, end of year	74,965	-
Racing Stabilization Reserve		
Balance, beginning of year	-	-
Appropriated during the year net of purse grant paid during year	124,893	-
Balance, end of year	124,893	-
Total appropriated operating surplus	199,858	-
Total operating surplus (Statement 1)	$ 199,858	$193,876

(See accompanying notes)

Statement 4

SASKATCHEWAN HORSE RACING COMMISSION

STATEMENT OF CHANGES IN CASH POSITION

For the Year Ended December 31, 1985

	1985	1984
Cash provided by Operations:		
Excess of revenue over expenditures	$ 5,982	$ 193,876
Adjustments for items not affecting cash:		
Decrease (increase) in prepaid expenses	3,298	(4,702)
Decrease (increase) in accounts receivable	(5,511)	(6,780)
Increase (decrease) in accounts payable	(108,231)	113,301
Total cash provided (used) by operations	(104,462)	295,695
Increase in long-term deposits	191,517	-
Total cash (used)/generated	$(295,979)	$ 295,695
Represented by:		
Cash, bank account and deposits, beginning of year	$ 295,695	$ -
Cash, bank account and deposits, end of year	(284)	295,695
(Decrease) increase in cash bank accounts and deposits	$(295,979)	$ 295,695

(See accompanying notes)

SASKATCHEWAN HORSE RACING COMMISSION

NOTES TO FINANCIAL STATEMENTS

December 31, 1985

1. Significant Accounting Policies

a) The Saskatchewan Horse Racing Commission utilizes a fund accounting basis wherein fixed asset purchases appear in the statement of revenue and expenditure as an expense. To maintain accountability for fixed assets, it is necessary to record them as a balance sheet asset with a corresponding entry to "Equity in Fixed Assets." As asset purchases and sales appear in the statement of revenue and expenditure, no provision is made for depreciation on fixed assets.

b) Revenue of the commission includes sums appropriated by the Legislature and received from the Department of Agriculture.

2. Status of Commission

The Saskatchewan Horse Racing Commission was established by The Horse Racing Commission Act which was proclaimed December 15, 1983. The Commission has the powers to govern, direct, control, regulate and assist the horse racing industry in Saskatchewan.

3. Operating Surplus

The Commission has adopted the policy of appropriating the operating surplus to establish reserves as follows:

a) Contingency Reserve

The amount appropriated yearly is 25% of the excess of revenue over expenditure for the year. The reserve is to be used to make grants to the horse racing industry and to cover any future operating deficits.

b) Racing Stabilization Reserve

The amount appropriated yearly is 75% of the excess of revenue over expenditure for the year. The reserve is to be used as a purse supplement as and when decided by the Commission.

4. Commissioner's Remuneration

Included in Commissioners' expenses appeal expenses and other are Commissioners' remuneration of $31,100 (1984 - $37,477) paid to five Commissioners.

5. Related Party Transactions

Included in these financial statements are expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan Crown controlled departments, agencies and corporations with which the commission is related.

6. Comparative Figures

For comparative purposes, certain 1984 balances have been reclassified to conform with the current year's financial statements presentation.